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THE TORONTO STOCK EXCHANGE

11/12/69
8/ 1/70

FILING STATEMENT NO. 1720
FILED JANUARY 13, 1970.

Feb

SEAWAY MULTI-CORP LIMITED

Full corporate name of Company

Incorporated under the Ontario Corporations Act, April 5, 1963

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous Filing Statement No. 1720

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" on pages 3 and 4.
2. Head office address and any other office address.	Head Office - 1926 Lakeshore Boulevard West, Toronto, Ontario Executive Office - Suite 4701, Toronto-Dominion Centre, Toronto, Ontario
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "B" on pages 5 and 6.
4. Share capitalization showing authorized and issued and outstanding capital.	<p>The authorized capital of the Company is divided into 3,000,000 Preference Shares with a par value of \$15 each, issuable in series, 2,500,000 Series A Convertible Preference Shares with a par value of \$15 each (being the first series of the Preference Shares) and 5,000,000 common shares without par value, of which as at November 28, 1969, 1,435,359 Series A Convertible Preference Shares and 1,568,767 common shares have been issued and are outstanding as fully paid and non-assessable.</p> <p>There are as at November 28, 1969, 246,407 Series A Warrants of the Company issued and outstanding which entitle the holders thereof to purchase at any time and from time to time up to the close of business on February 28, 1989 one common share of the Company for each such Warrant held at a price of \$38.00 per common share.</p>
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	<p>(i) 7½% Convertible Unsecured Sinking Fund Debentures Series A, due Aug. 23, 1988, \$1,450,000;</p> <p>(ii) non-interest bearing Unsecured Convertible Debentures, due Jan. 31, 1974, \$7,500,000.</p>
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "D" on page 7.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	NAME	ADDRESS
	Joseph Roberts	8 Millgate Crescent, Willowdale 432, Ontario.
	John Jack Fisher	50 Timberlane Drive, Downsview 473, Ontario.
	Ira Hirschman	c/o The Ira Hirschman Company, 10 East 40th Street, New York, New York 10016, U.S.A.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	N/A	
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	In fulfillment of its policy of expansion and diversification, the Company, which is now active through its subsidiaries in many unrelated industries, such as the ownership and operation of hotels and the manufacture and sale of wood products, sporting and other recreational equipment, gears and gear products, automotive parts and machinery and equipment for industrial and military use, intends to continue to make suitable acquisitions in fields not necessarily connected with the foregoing industries.	
10. Brief statement of company's chief development work during past year.	<p>acquired all of the issued and outstanding shares of Premium Forest Products Limited which manufactures and sells flush and louvred doors and related wood products;</p> <p>acquired all of the issued and outstanding shares of Gardiner's of Galt, Limited which is engaged in the manufacture of architectural wood work such as wood panelling, wood cabinets and other related wood products, custom made to architectural specifications;</p> <p>acquired approximately 85% of the issued and outstanding common shares without par value and approximately 68% of the issued and outstanding 5½% Cumulative Redeemable Class B Preference Shares with a par value of \$20 each in the capital of Levy Industries Limited. Levy Industries Limited, through its subsidiaries, purchases, manufactures and sells, both in Canada and in many foreign countries, industrial machinery and equipment, gasoline and diesel engines and components and spare parts for trucks, airplanes and other vehicles used in commercial, industrial and military fields. Subsidiaries of Levy Industries Limited also purchase, manufacture and sell sporting goods and operate highway suffrance (customs clearance) warehouses in the Province of Ontario and a cold and dry storage warehouse in the Province of Manitoba.</p> <p>agreed to acquire 80% of the issued and outstanding shares in the capital of each of Patty S.p.A. and Patty Commerciale S.p.A. which companies are presently engaged in the manufacture of luggage, industrial containers, packing materials and related articles and are expected to provide manufacturing and distribution facilities for certain of the products presently manufactured by C.C.M. (a subsidiary of the Company).</p>	
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Aratos A.G., a company incorporated under the laws of Liechtenstein and having its principal office at c/o Studio Sindona, Via Turati 29, Milan, Italy, is the vendor of 80% of the issued and outstanding shares in the capital of each of Patty S.p.A. and Patty Commerciale S.p.A. to be purchased by the Company for \$800,000 (Canadian payable in the manner set out in sub-clause (b) of clause 1 of Schedule A attached hereto.	

SCHEDULE A

1. (a) Under an agreement dated September 12, 1968 made between Joseph Roberts and the Company, Mr. Roberts was employed at a salary of \$25,000 per annum for a period of five years and was granted an option pursuant to such agreement to purchase an aggregate of 25,000 common shares without par value of the Company during such period at a price equal to the last board lot sale of such shares on The Toronto Stock Exchange on September 30, 1968 (\$19.75) less 10% of such price (being \$17.77). The maximum number of common shares that could be purchased in any one calendar year under such option was 5,000. The foregoing employment agreement (and the option granted pursuant to such agreement) was terminated and superseded by an agreement dated April 15, 1969 made between Joseph Roberts and the Company under which Mr. Roberts was employed for a period of four years and seven months from March 1, 1969 at a salary of \$40,000 per annum and was granted an option to purchase 7,000 common shares of the Company at a price of \$17.77 per share. Mr. Roberts has exercised his option to purchase 1,000 of such common shares. As to the remaining 6,000 common shares, a maximum of 2,000 of such shares may be purchased by Mr. Roberts prior to September 30, 1969 and, commencing October 1, 1969, a maximum of 1,000 common shares may be purchased by him during each of the four years ending on September 30 in 1970 to 1973, both inclusive.

(b) An employment agreement dated April 1, 1969 was made between the Company and Ira Hirschman whereby Mr. Hirschman was employed for a period of three years at an annual salary equal to the greater of \$25,000 or a finders fee equal to 1% of:

- (i) the net amount received by the Company from any debt or equity financing; and
- (ii) the net amount paid by the Company in purchasing at least 50% of the issued and outstanding share capital of a company or a substantial part of the assets used in carrying on the business of a company;

provided that such debt or equity financing or such purchase or purchases were made possible by the introduction of Mr. Hirschman's contacts to the Company. Pursuant to the terms of such employment agreement an option was granted to Mr. Hirschman to purchase 6,000 common shares without par value of the Company over a period of four years at a purchase price per common share of \$21.26. The maximum number of common shares which may be purchased in any year under such option is 2,000.

(c) Pursuant to an agreement (the "York Gears Agreement") dated May 15, 1969 made between York Gears Limited (the "Vendor") (a company controlled by Levy Industries Limited which, in turn, is controlled by the Company) and Spar Aerospace Products Ltd. (the "Purchaser"), the undertaking, property and assets of the Vendor, other than income taxes recoverable by the Vendor in connection with such undertaking and certain other specified assets, were sold to the Purchaser on July 3, 1969 for a purchase price equal to the sum of \$1 plus the assumption by the Purchaser of all obligations and liabilities of the Vendor, other than certain specified liabilities. In addition, the Purchaser paid to the Vendor on closing the sum of \$1,645,198 (including a deposit of \$100,000 paid to the Vendor on the execution of the York Gears Agreement) in complete discharge of all indebtedness of the Vendor to its Affiliated Companies. The term "Affiliated Companies" was defined to mean Levy Industries Limited, Levy-Russell Limited and/or Russell Industries Limited and/or any other corporation or company more than 50% of the outstanding voting shares of which was owned or controlled by or for any of the above named companies.

(d) At an annual and general meeting of the shareholders of the Company held on June 25, 1969, a resolution passed by the board of directors increasing the number of directors from nine to twelve was confirmed and the following new directors were elected:

Samuel Hector
Benjamin Levy
Morris P. Levy
William P. Rosenfeld

Philip Mandelbaum was not re-elected as a director of the Company.

(e) At a meeting of the board of directors of the Company held on June 26, 1969 the following additional officers of the Company were elected and/or appointed:

Vice-President, New Business and Corporate Planning and Secretary - Jack A. Gilbert, Q.C.

Vice-President, Legal, Public Relations and Advertising and Assistant-Secretary - H.B. Noble

Vice-President, Industrial Relations - C.M. Hooper

Vice-President, Manufacturing Operations - S.T. Onderko

- (f) On August 8, 1969, Mr. Robert C. Stone resigned as a director and/or officer of the Company and its subsidiaries. In addition, on the same date it came to the attention of the board of directors that pursuant to Section 299 (2) of The Corporations Act (Ontario) Messrs. Morris P. Levy and William P. Rosenfeld had ceased to be directors of the Company by reason of their failure to become registered shareholders of the Company within ten days after their election as directors on June 25, 1969. On October 9, 1969, Mr. Samuel Hector resigned as a director of the Company. The vacancies in the board of directors of the Company created by the resignations of Messrs. Stone and Hector and the disqualification of Messrs. Levy and Rosenfeld as directors have not yet been filled.
- (g) On October 30, 1968, Mr. John William Graham ceased to be an employee of the Company by virtue of his notice of resignation given to the Company pursuant to the terms of the employment agreement dated November 22, 1968 made between Mr. Graham and the Company. As a result of such resignation, the option granted by the Company to Mr. Graham to purchase 25,000 common shares without par value in the capital of the Company was terminated.
- (h) Under and by virtue of an agreement (the "Purchase Agreement") dated November 10, 1969 made between Aratos A.G., as vendor, and the Company, as purchaser, the Company has agreed to purchase from Aratos A.G. 80% of the issued and outstanding shares in the capital of each of Patti S.p.A. and Patty Commerciale S.p.A. for an aggregate purchase price of \$800,000. The purchase price is to be paid as follows:
- (a) as to \$270,000, by the issue and delivery to Aratos A.G. of an 8% unsecured convertible debenture (the "Debenture") of the Company; and
 - (b) as to the balance namely \$530,000, by the allotment and issue to Aratos A.G. as fully paid and non-assessable of 53,000 common shares without par value in the capital of the Company.

The principal amount of the Debenture matures and becomes payable five years after date. Interest at the rate of 8% per annum is payable annually, the first of such payments of interest to become due one year after date. The Debenture is convertible by the holder thereof into common shares of the Company at the price of \$10 up to and including the first anniversary of the date thereof and thereafter at increasing prices of \$1 per annum for the ensuing four years. In addition to the right of conversion granted to the holder of the Debenture, the Company has the right at any time prior to the maturity of the Debenture and only while the average closing price of the common shares of the Company as recorded on The Toronto Stock Exchange in the preceding thirty day period exceeds the then current conversion price plus 10% of such price to require such holder to convert the Debenture into common shares of the Company.

It has been acknowledged in the Purchase Agreement that a current line of credit of Lire 285,000,000 has been extended by the Banca Privata Finanziaria to Patty S.p.A. and Patty Commerciale S.p.A., which line of credit has been guaranteed by a designee of Aratos A.G. The Company and Aratos A.G. have agreed that subsequent to the expiration of 13 months from the date of execution of the Purchase Agreement such line of credit, which Aratos A.G. will cause to be obtained from Banca Privata Finanziaria or any other bank or banks, will be guaranteed by the Company. Alternatively, if Aratos A.G. and the Company subsequently agree and if the approval of The Toronto Stock Exchange and the Canadian Stock Exchange is then obtained, the parties have indicated in the Purchase Agreement that such line of credit may be made available by the Company to Patty S.p.A. and Patty Commerciale S.p.A. with funds derived by the Company from the allotment and issuance to Aratos A.G. of common shares of the Company at a price equal to the closing price of such shares on The Toronto Stock Exchange on the day immediately preceding the day on which such 13 month period expires less 15%.

The purchase and sale transaction contemplated by the Purchase Agreement is scheduled to close 10 days after the necessary consents and approvals of all interested regulatory authorities have been obtained.

SCHEDULE B

<u>Name and Address</u>	<u>Office</u>	<u>Chief Occupations</u>
Norton Cooper, 630 Roselawn Avenue, Apartment 901, Toronto 305, Ontario.	President and Director	Officer, Seaway Multi- Corp Limited
John Jack Fisher, 50 Timberlane Drive, Downsview 473, Ontario.	Vice-President, Hotels, and Director	Officer, Seaway Multi- Corp Limited
Albert Melville Isenberg, 18 Fraserwood Avenue, Toronto 399, Ontario.	Vice-President, Inter-Corporate Relations, and Director	Officer, Seaway Multi- Corp Limited
Jack Allan Gilbert, Q.C. 265 Upper Highland Cres., Willowdale 440, Ontario.	Vice-President, New Business and Corporate Plan- ning, Secretary and Director	Officer, Seaway Multi- Corp Limited Barrister and Solicitor
Herbert Bernard Noble, 9 High Point Road, Don Mills, Ontario.	Vice-President, Legal, Public Relations and Advertising, Assistant- Secretary and Director	Officer, Seaway Multi- Corp Limited Barrister and Solicitor
Alan Eagleson, 52 The Kingsway, Toronto 590, Ontario.	Director	Barrister and Solicitor, Blaney, Pasternak, Smela, Eagleson & Watson
Howard Leighton Beck, 400 Walmer Road, Apartment 1807, Toronto 178, Ontario	Assistant- Secretary and Director	Barrister and Solicitor, Davies, Ward & Beck
Benjamin Levy, 91 Old Forest Hill, Toronto, Ontario.	Director	President and Chief Executive Officer, Levy Industries Limited
Joseph Roberts, C.A. 8 Millgate Crescent, Willowdale 432, Ontario.	Vice-President, Finance, and Treasurer	Officer, Seaway Multi- Corp Limited
Chester M. Hooper 74 Strath Avenue, Toronto 590, Ontario	Vice-President, Industrial Relations	Officer, Seaway Multi- Corp Limited
<u>Name and Address</u>	<u>Office</u>	<u>Chief Occupations</u>
Steven T. Onderko, 3585 Stoneycreek Cres., Cooksville, Ontario	Vice-President, Manufacturing Operations	Officer, Seaway Multi- Corp Limited

The chief occupations as shown above of Messrs. Eagleson, Levy and Beck have not changed within the five preceding years.

The former principal occupations of Norton Cooper since December, 1964 have been as follows: prior to appointment as President of the Company in July, 1968, he was (until May 1, 1969) Vice-President, Irving L. Straus Associates (Canada) Limited, having held that office since October, 1967; prior to appointment as Vice-President, Irving L. Straus Associates (Canada) Limited, he was a Registered Representative, Gairdner & Co., Toronto, having held that position since July, 1967; prior to this was a Registered Representative, Waite, Reid & Co., Toronto, having held that position since 1966; prior to this was engaged in travelling and business research on a self-employed basis, having been so engaged since 1964.

Prior to the appointment of Albert Melville Isenberg as a Vice-President of the Company in June, 1968, Mr. Isenberg was (and presently is) the President of Canada Paint & Wallpaper Limited, having held that position for more than five years.

Prior to the appointment of Mr. Joseph Roberts as an officer of the Company in September of 1968, Mr. Roberts was the Chairman of the Board, President and a Director of Double Diamond Bowling Supply Limited, a wholly-owned subsidiary of Philips Electronics Industries Limited, having held that position for more than five years.

The former principal occupation of Jack Allan Gilbert, Q.C. from December, 1964 to October, 1968 was a partner in the legal firm of Cravit & Gilbert. Since his resignation from Cravit & Gilbert, Mr. Gilbert has been connected with the affairs of the Company.

The former principal occupations of Herbert Bernard Noble since December, 1964 have been as follows: prior to becoming connected with the affairs of the Company in June, 1968, he was a partner in the law firm of Noble & Biback, having been so engaged since 1966; prior to 1966, he was engaged as general counsel for and was the Assistant to the President of City Parking Canada Limited, having held that position since 1963.

Prior to the appointment of Mr. Jack Fisher as an officer of the Company in October of 1968, Mr. Jack Fisher was (and still is) the general manager of the Beverly Hills Motor Hotel, having held that position for more than five years.

Prior to the appointment on June 25, 1967 of Mr. Chester M. Hooper as the Vice-President, Manufacturing Operations, of the Company, Mr. Hooper was the Vice-President of Industrial Relations of Levy Industries Limited, having held that position for more than five years.

The former principal occupations of Steven T. Onderko were as follows: prior to his appointment as Vice-President, Manufacturing Operations, of the Company on June 25, 1969, he was the Vice-President, Manufacturing Operations, of Levy Industries Limited for a period of approximately one year; prior to that he was the Director of Operations for H.K. Porter & Co. Inc. (a Pittsburg company) having held that position since prior to September, 1964.

SCHEDULE "C"

6. (a) The 7½% Convertible Unsecured Sinking Fund Debentures Series A of the Company in the aggregate principal amount of \$1,450,000 may be converted into a maximum of 90,625 common shares without par value in the capital of the Company and such shares have been reserved for issuance upon the conversion of the said Debentures.
- (b) The 7½% Convertible Secured Debenture of Premium Forest Products Limited in the principal amount of \$2,596,000 issued to Philip Mandelbaum may be converted into a maximum of 46,667 common shares without par value in the capital of the Company and such shares have been reserved for issuance upon the conversion of such Debenture.
- (c) The non-interest bearing Unsecured Convertible Debentures dated January 30, 1969 of the Company in the aggregate principal amount of \$7,500,000 issued to the Levy family may be converted into a maximum of 300,000 common shares without par value in the capital of the Company. Such shares have been reserved for issuance upon the conversion of such Debentures.
- (d) Joseph Roberts, the Administrative Vice-President of the Company, was granted an option to purchase a maximum of 7,000 common shares without par value in the capital of the Company over a period of four years and seven months commencing on March 1, 1969 at a purchase price of \$17.77 per common share. Mr. Roberts has now purchased 1,000 common shares under and by virtue of such option.
- (e) Under and by virtue of the employment agreement dated October 25, 1968 made between the Company and Mr. John Fisher, a Vice-President and director of the Company, Mr. Fisher is entitled to an annual bonus of five per cent of the net profits of the Company from the operation of its hotel division plus a further two per cent of the net profits of the Company from its hotel division in excess of \$300,000 to be paid in common shares without par value in the capital of the Company, the price of such shares to be determined on the basis of the last recorded board lot sale of such shares on The Toronto Stock Exchange ten days after the audited financial statements of the Company become available.
- (f) Under and by virtue of an option agreement dated April 1, 1969 made between Ira Hirschman and the Company, Mr. Hirschman has been granted an option to purchase a maximum of 6,000 common shares without par value in the capital of the Company over a period of four years at a purchase price per common share of \$ 21.26.
- (g) There are as at November 28, 1969 246,409 Series A Warrants of the Company issued and outstanding which entitle the holders thereof to purchase at any time and from time to time up to the close of business on February 28, 1989 one common share of the Company for each such Warrant held at a price of \$ 38.00 per common share.

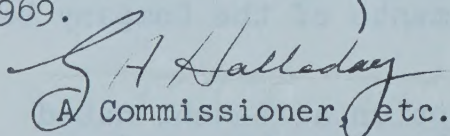
PROVINCE OF ONTARIO)
COUNTY OF YORK)
TO WIT:)

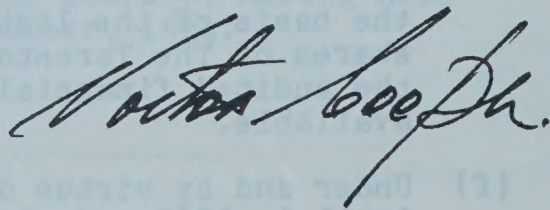
I, NORTON COOPER, of the City of Toronto in
the County of York, Executive,

MAKE OATH AND SAY THAT:

1. The agreement dated November 10, 1969 made between Aratos A.G., as Vendor, and Seaway Multi-Corp Limited ("Seaway"), as Purchaser, whereby Seaway agreed to purchase from Aratos A.G. 80% of the issued and outstanding shares in the capital of each of Patty S.p.A. and Patty Commerciale S.p.A. for the purchase price of \$800,000 payable in the manner therein set out was negotiated between myself together with certain members of the board of directors of Seaway and the principal of Aratos A.G. strictly on an arms-length basis.
2. On the 10th day of November, 1969 Michele Sindona, a principal of Aratos A.G., caused a loan to be made to myself in the amount of \$2,000,000 which loan is secured by the pledge of 340,000 common shares in the capital of Seaway Multi-Corp Limited.

SWORN BEFORE ME at the
City of Toronto in the
Province of Ontario
this 22nd day of December,
1969.


A Commissioner, etc.



FINANCIAL STATEMENTS

SEAWAY MULTI-CORP LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

(Note 12)

SEPTEMBER 30, 1969

(UNAUDITED)

ASSETS

CURRENT

Cash	\$ 1,411,239
Investments in marketable securities at cost (approx. market value \$83,000)	121,532
receivables	15,133,123
Inventories - at cost	27,907,553
prepaid expenses and sundry assets	810,194

45,383,641

INVESTMENTS (Note 1)

295,456

PROPERTIES, PLANT AND EQUIPMENT - at cost

and (Note 2)	\$ 5,401,363
Buildings and leasehold improvements	18,089,861
Machinery, furniture and equipment	21,957,577

45,448,801

Deduct: Accumulated depreciation 22,207,018

23,241,783

amortized cost of crockery, tableware and linen

229,991

23,471,774

OTHER ASSETS

deferred charges (Note 3)	2,375,928
total deposit	73,200
goodwill and licenses (Note 4)	41,906,168

44,355,296

\$113,506,167

LIABILITIES

CURRENT

Bank indebtedness - secured	\$ 14,731,182
Short-term notes payable	164,600
Accounts payable and accrued liabilities	7,958,324
Income and other taxes payable	2,745,194
Current portion of long term-debt	1,640,721

27,240,021

DEFERRED INCOME TAXES (Note 5)

1,913,828

LONG-TERM DEBT (Note 6)

23,129,273

MINORITY INTEREST (Note 7)

7,148,656

SHAREHOLDERS' EQUITY

Capital Stock (Note 8)	52,684,117
Contributed Surplus (Note 9)	4,289
Retained earnings	1,385,983

54,074,389

\$113,506,167

(see accompanying notes to financial statement)

SEAWAY MULTI-CORP LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1969 (UNAUDITED)

(Note 12)

Sales	\$66,192,763
Cost of Sales Selling, General and Administrative Expenses (exclusive of items set out below)	58,012,947
Income Before the Undernoted	8,179,816
Depreciation	1,224,953
Long-term debt interest	879,794
Deferred charges amortized (Note 3)	445,680
Bank interest (net of interest income)	674,089
Minority interest	549,689
Loss on sale of real estate	34,000
	3,808,205
Income Before Income Taxes and Deduction of Pre-Acquisition Income of Levy Industries Limited	4,371,611
Provision For Corporation Income Taxes (Note 10)	2,640,641
Net Income Before Deduction of Pre-Acquisition Income of Levy Industries Limited	1,730,970
Pre-Acquisition Income of Levy Industries Limited	122,820
Income For The Nine Months Before Extraordinary Gain	1,608,150
Extraordinary Gain (Note 11)	125,288
Net Income For the Nine Months	1,733,438
Retained Earnings January 1, 1969	251,548
	1,984,986
Deduct: Dividends Paid on Series "A" Preference Shares	599,003
Retained Earnings September 30, 1969	\$ 1,385,983
Net Earnings For Common Shareholders (Net Income \$1,733,438 less provision for dividends on Series "A" Preference Shares from Feb. 17, to September 30, 1969 - \$599,003)	\$ 1,134,435
Average Common Shares Outstanding	1,563,814
NET EARNINGS PER COMMON SHARE	\$.73

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1969

SOURCE OF FUNDS

Income for the nine months before gains or losses - per statement	\$ 1,608,150	
Depreciation and amortization	1,159,832	
Deferred charges amortized	400,525	
Minority Interest	\$549,689	
Less: Preferred dividends paid to minority shareholders	220,916	328,973
Loss on sale of real estate		34,000
		3,531,480
Less: Deferred income taxes now payable		32,673
Funds Provided From Operations	3,498,807	
Working capital acquired on the acquisition of Levy Industries Limited & its subsidiaries	16,432,636	
Common shares issued	17,770	
Common shares issued by a subsidiary co.	156,899	
Divestment of shares in an associated co.	200,000	
Increase in long-term debt - net	244,117	
Recovery of Previous year's income taxes	37,725	
Sundry Sources	13,538	\$20,601,492
Net investment in properties, plant, & equipment (Note 2)	3,388,997	
Increase in deferred charges	404,549	
Dividends paid on series "A" preference shares	599,003	
Dividend paid to minority shareholders in a subsidiary - Monroe Acme	63,600	
Cost of purchasing Class "A" shares of Levy Industries Limited for cancellation	34,792	
Cost of redemption of Class "B" preference shares of Levy Industries Limited (Including premium)	211,462	
Increase in investments	58,027	
Acquisition costs	87,150	4,847,580
Funds Provided During the Period		15,753,912
Working Capital January 1, 1969		2,389,708
Working Capital September 30, 1969		\$18,143,620

(See accompanying notes to financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 1969

NOTE 1 - INVESTMENTS

Interest in Talisman Motor Inn: \$285,356

This investment is carried at equity value plus an amount of \$61,361 being the excess of the cost of investment over equity at acquisition date. The Company, through a subsidiary company, Seaway City Hotel (Ottawa) Limited, has a one-third (1/3) interest in the partnership operating the Talisman Motor Inn, Ottawa, Ontario.

Others - at amortized cost 10,100

\$295,456

NOTE 2

Land includes \$2,564,000 which is the cost of the Weston Supply Depot property acquired in 1969 for \$894,000 cash and the assumption of a 9½% \$1,670,000 mortgage repayable over the next five years at the rate of \$334,000 per annum.

NOTE 3 - DEFERRED CHARGES - at cost less amortization to date.

		<u>BASIS OF AMORTIZATION</u>
Deferred financing costs,	\$1,338,468	\$341,467 will be amortized over the terms of the debentures to which they relate. The remaining \$997,001 are share issue expenses, and will not be amortized.
Deferred leasing costs,	742,000	Over the terms of the leases, from 5 to 10 years.
Deferred development costs,	188,562	Over the next 2 years.
Hotel opening expenses,	91,243	Over 5 years from the dates each new hotel becomes fully operative.
Other	<u>15,655</u>	Over current financial period.
	<u>\$2,375,928</u>	

NOTE 4 - GOODWILL AND LICENSES

Licenses etc. - at cost \$ 69,162

Goodwill — Premium Forest Products Limited, Gardiner's of Galt Limited, Stola Investments Limited, (Beverly Hills Motor Hotel,) Town House Motor Inn Limited, Courrier Hotels (Inter.) Ltd. 4,335,943

Goodwill represents the excess, to the extent that such excess could not be allocated to specific acquired tangible assets, of the cost of the Company's investment in the shares of the companies referred to above over the equity in the assets of such companies at the dates of acquisition.

Goodwill and licenses are not being amortized because, in the opinion of management, there has been no decrease in the value thereof.

Goodwill - Levy Industries Limited 37,501,063

This is the excess of the cost of the Company's investment in the above company over the book value of the net assets acquired at January 31, 1969. It is the intention of management to allocate this amount first to specific tangible assets (based on an appraisal of the land, buildings and machinery) and the remainder to Goodwill.

\$41,906,168

NOTE 5 - DEFERRED INCOME TAXES

Deferred income taxes represent the accumulated tax reductions applicable to future years arising from claiming additional depreciation and amortization for income tax purposes in excess of the amounts deducted on the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 1969

NOTE 6 - LONG-TERM DEBT

Long-Term Debt is Made Up as Follows:

SEAWAY MULTI-CORP LIMITED

7½% convertible unsecured sinking fund debentures, series A,
due August 23, 1988 \$ 1,450,000

The 7½% convertible unsecured sinking fund debentures Series A of the Company are convertible at the option of the holders at any time prior to the close of business on August 23, 1988 into fully paid and non-assessable common shares of the Company (as presently constituted) on the basis of 62.5 shares for each \$1,000 principal amount thereof up to August 23, 1978, and thereafter, on the basis of 50 shares for each \$1,000 principal amount. The Company has reserved 90,625 common shares for this purpose.

Non-interest-bearing unsecured convertible debentures, due
January 31, 1974..... 7,500,000

These debentures were issued on January 31, 1969 and are convertible at \$25.00 per share into 300,000 common shares. Conversions to the extent of 80,000 shares may be made in the period from March 1, 1969 to February 28, 1971. The remaining conversions may not take place until, on or after, March 1st, 1971.

SEAWAY CITY MOTOR HOTEL (QUEBEC) LIMITED

6% notes payable, due August 1, 1970.....\$ 45,920

AMALGAMATED SEAWAY HOTELS (ONTARIO) LIMITED

7½% mortgage, due December 1, 1987..... 1,604,535

STOLA INVESTMENTS LIMITED

7½% first mortgage, due June 15, 1981..... 1,100,938
8% second mortgage, due October 25, 1972..... 575,000
Sundry mortgages 23,392
Loan payable - 8¼% due 1970..... 175,000

TOWN HOUSE MOTOR INN LIMITED

9½% mortgage, due June 1, 1974..... 302,720
8¼% mortgage, due October 15, 1970..... 40,000

PREMIUM FOREST PRODUCTS LIMITED

7½% debenture, due April 30, 1976..... 2,516,267

This debenture is convertible to the extent of \$1,400,000 principal amount into common shares of the Company at graduated conversion prices, ranging from \$30 to \$60 per share. Such conversions may be made only after Premium Forest Products Limited has earned in aggregate \$2,800,000 before income taxes in the financial years 1969 and subsequent. A maximum 46,666 common shares are issuable under this conversion privilege.

7% mortgage payable, due September 23, 1972..... 46,250

LEVY INDUSTRIES LIMITED

6% loan due October 15, 1972..... 613,000
7.58% mortgage, due June 1, 1986..... 1,119,972
7½% loan, due February 15, 1972..... 300,000
9¼% mortgage due May 16, 1975 (see note 2)..... 1,670,000

MIDQUEENSWAY HOLDINGS LIMITED

7½% mortgage, due April 1, 1982.....\$ 430,000

LEVY-RUSSELL LIMITED

6½% sinking fund debentures, series "A" requiring a sinking fund payment of \$400,000 in 1970 and each year thereafter, due November 15, 1982..... 4,957,000

MIDCONTINENT TRUCK TERMINAL LIMITED

6 3/4 % first mortgage bonds, series "A", due January 1, 1978.... 180,000
6 3/4 % first mortgage bonds, series "B", due Sept. 1, 1979..... 70,000

THE MANITOBA COLD STORAGE COMPANY LTD.

Non-interest bearing retirement allowance, due January 1, 1973.. 50,000
24,769,994

LESS: Current portion due within one year 1,640,721
\$23,129,273

The maximum payments required in each of the next five years to retire the above long-term debt, assuming that no conversion privileges are exercised, are approximately as follows:

1970	\$1,736,000
1971	1,568,000
1972	1,895,000
1973	947,000
1974	8,309,000

NOTE 7 - MINORITY INTEREST

The above consists of:

The minority interest in Levy Industries Limited:

214,468	Common Shares	\$2,955,161
322,070	Class "A" 6% Preference Shares	3,864,840

The minority interest in subsidiaries

of Levy Industries Limited: Monroe-Acme

Company Limited and Russell Industries Limited	328,655
	<u>\$ 7,148,656</u>

NOTE 8 - CAPITAL STOCKAUTHORIZED:

3,000,000 4½% cumulative, Series "A" Preference Shares, par value \$15.00, convertible on the basis of one common share for each three preference shares and redeemable at no premium.

44,055	Cancelled on conversion to Common Shares.
<u>2,955,945</u>	

5,000,000 Common Shares without par value.

14,685	Additional shares issued on conversion of Preference Shares.
--------	--------------------------------------------------------------

5,014,685

ISSUED AND OUTSTANDING:Series "A" Preference Shares

1,479,489	Issued in 1969	\$22,192,335
44,055	Converted to Common Shares	660,825
<u>1,435,434</u>		<u>\$21,531,510</u>

Common Shares

1,549,982	Issued and outstanding January 1, 1969	\$30,424,012
14,685	Issued on conversion of Preference Shares in 1969	660,825
3,125	Issued on conversion of debentures in 1969	50,000
1,000	Issued under stock options in 1969 at \$17.77	17,770
<u>1,568,792</u>		<u>31,152,607</u>
	<u>TOTAL CAPITAL STOCK</u>	<u>\$52,684,117</u>

At September 30, 1969, there are 246,369 warrants outstanding, which entitle the holders to acquire one common share of the Company for each warrant held at a price of \$38.00. The warrant privileges may be exercised at any time up until February 28, 1989.

There are options outstanding at September 30, 1969 granted to senior officers of the Company to acquire 55,000 common shares of the Company, as follows:

<u>NUMBER OF SHARES</u>	<u>OPTION PRICE</u>	<u>EXPIRY DATE</u>
6,000	21.26	March 31, 1973
4,000	17.77	September 30, 1973
45,000	18.90	May 29, 1974
<u>55,000</u>		

There is, also, a maximum of 437,291 common shares reserved for issue under conversion privileges attached to various long-term debts outstanding (see Long-Term Debt, Note 6.)

NOTE 9 - CONTRIBUTED SURPLUS

This amount represents mainly the excess of the par value of preferred shares of a subsidiary over the cost of their purchase for cancellation.

NOTE 10 - INCOME TAXES

There is a tax loss of approximately \$1,600,000 of a subsidiary company which may be applied to reduce taxable income in future years. This has not been considered in the current period's income tax provision.

NOTE 11 - EXTRAORDINARY GAINS AND (LOSSES)

Seaway Multi-Corp Limited - Acquisition Costs		\$ (87,150)
Levy Industries Limited & Subsidiaries		
Gain on Sale of investment in BLH-Bertram Limited	\$199,999	
Prior year's taxes and adjustments	<u>55,439</u>	
	255,438	
Deduct: Minority Interest on above	<u>43,000</u>	<u>212,438</u>
		<u>\$ 125,288</u>
	NET GAIN FOR THE NINE MONTHS	

NOTE 12

Comparative financial statements for 1968 have not been presented here because the company has changed so materially through acquisitions that any comparison would be meaningless.

NOTE 13 - LONG-TERM LEASES AND COMMITMENTS

Certain subsidiaries of the Company have entered into long-term leasing agreements for the rental of land and buildings. These leases, which expire on various dates up to 2053, require rental payments ranging from approximately \$557,000 in each of the years 1969 to 1971, inclusive, to \$125,500 in the year 1996 and \$500 thereafter.

Other subsidiaries have entered into contracts to lease equipment for periods up to ten years. As at September 30, 1969, the total outstanding commitments approximated \$1,400,000 over the remaining terms of the leases.

NOTE 14 - PENSION PLANS

Certain subsidiaries of the Company maintain pension plans covering most of their employees. The total unfunded past service liability as of September 30, 1969 was approximately \$3,500,000 which will be funded in varying amounts over a maximum of 21 years.

NOTE 15 - CONTINGENCIES

There are suits, claims and other contingencies, pending or in process, against the Company and its subsidiaries as of September 30, 1969, in amounts approximating \$3,000,000. Conversely, the Company and its subsidiaries also have claims approximating \$3,000,000, pending or in process, against suppliers and customers for defective merchandise and contract changes. As the ultimate effect of the foregoing matters can not be determined at this time, no portion thereof has been reflected in the accompanying financial statements. In the opinion of management and legal counsel, the resolution of these matters will not result in any material adverse effect on the companies' affairs.

A subsidiary of the company has guaranteed the collection of accounts receivable amounting to approximately \$1,000,000 which were sold with recourse.

SEAWAY MULTI-CORP LIMITED

ANALYSIS OF BANK LOANS, SHORT-TERM NOTES PAYABLE

SEPTEMBER 30, 1969.

BANK LOANS - SEPTEMBER 30, 1969

Levy Industries Limited	\$2,025,000
Levy-Russell Limited (\$1,700,000 re German - Special Loan)	2,727,824
Canadian Acme Screw & Gears Limited	3,199,600
Canada Cycle and Motor Company Limited	5,386,759
Winnipeg Cold Storage Company Limited	226,484
Midcontinent Truck Terminal Limited	95,100
Manitoba Cold Storage Company Limited	15,000
Levy Auto Parts Inc.	12,984
Levy Leasing	16,000
Premium Forest Products Limited	676,000
Gardiners' of Galt	199,000
Seaway Multi-Corp Limited	1,431
Amalgamated Seaway Hotels (Ontario) Limited	<u>150,000</u>
	<u>\$14,731,182</u>

SHORT-TERM NOTES PAYABLE - SEPTEMBER 30, 1969

Marlevy Corporation Limited - Canadian Acme Screw & Gear Ltd.	<u>\$164,600</u>
---------------------------------------------------------------	------------------

Notes to Combining Balance Sheet

June 30, 1969

1. Historical information and basis of presenting balance sheet

The accompanying balance sheet reflects the combined financial position of Patty S.p.A. and Patty Commerciale S.p.A. both being commonly owned and under common management.

Patty S.p.A. was incorporated October 27, 1967 and subsequently commenced the construction and equipping of a factory at Frosinone, Italy.

Patty Commerciale S.p.A. was also incorporated on October 27, 1967 to act as a selling organization for Patty S.p.A.

It is the intention of management to qualify its investment in Patty S.p.A. for certain benefits under the provisions of the law "Cassa per il Mezzogiorno" for the encouragement of industrialization of Southern Italy. Benefits under such law consist principally of favorable financing arrangements with governmental agencies, governmental grants with respect to certain items of plant and equipment, and a partial exemption from income taxes for a ten year period.

2. Receivables

Receivables as of June 30, 1969 are summarized as follows:

	<u>Patty S.p.A.</u>	<u>Patty Commerciale S.p.A.</u>	<u>Combined</u>
Trade - accounts	-	21 770 444	21 770 444
- notes	-	18 588 792	18 588 792
Other	<u>14 684 245</u>	<u>1 894 260</u>	<u>16 578 505</u>
	14 684 245	42 253 496	56 937 741
Less allowance for doubtful receivables	<u>-</u>	<u>1 500 000</u>	<u>1 500 000</u>
Net receivables	<u>14 684 245</u>	<u>40 753 496</u>	<u>55 437 741</u>
	=====	=====	=====

Included in other receivables in the amount of Lit. 13 300 000 is an accrued receivable from SAIFEC S.p.A. based on an agreement covering the sharing of advertising expenses. SAIFEC S.p.A. has agreed to re-imburse Patty S.p.A. for 50% of its 1969 advertising expense up to a maximum of Lit. 43 000 000.

3. Inventories

Inventories at June 30, 1969 are summarized as follows:

	<u>Patty S.p.A.</u>	<u>Patty Commerciale S.p.A.</u>	<u>Combined</u>
Manufactured items:			
Finished products	11 205 327	-	11 205 327
Work in process	5 600 173	-	5 600 173
Raw materials and supplies	<u>9 661 321</u>	<u>-</u>	<u>9 661 321</u>
	26 466 821	-	26 466 821
Purchased items:			
Luggage designed to specification	-	65 528 556	65 528 556
Leather goods	<u>27 265 223</u>	<u>88 334 347</u>	<u>115 599 570</u>
	27 265 223	153 862 903	181 128 126
	53 732 044	153 862 903	207 594 947
	=====	=====	=====

4. Property, plant and equipment, at cost

Property, plant and equipment are summarized below:

	<u>Patty S.p.A.</u>	<u>Patty Commerciale S.p.A.</u>	<u>Combined</u>
Land	43 636 678	-	43 636 678
Buildings	141 044 626	-	141 044 626
Machinery and equipment	1 061 616 657	-	1 061 616 657
Furniture and fixtures	20 977 499	14 383 123	35 360 622
Motor vehicles	<u>2 000 500</u>	<u>7 453 417</u>	<u>9 453 917</u>
	1 269 275 960	21 836 540	1 291 112 500
Advances to contractors:			
Plant	338 428 800	-	338 428 800
Machinery and equipment	<u>87 361 968</u>	<u>-</u>	<u>87 361 968</u>
	425 790 768	-	425 790 768
	1 695 066 728	21 836 540	1 716 903 268
	=====	=====	=====

PATTY S.p.A. AND PATTY COMMERCIALE S.p.A.

Notes to Combining Balance Sheet, Continued

4. Property, plant and equipment, at cost (Cont.d)

Patty S.p.A. has agreed to sell to Wimpack S.p.A. approximately 43 000 square meters of land for Lit. 1 000 per square meter. This transaction is expected to be consumated in the near future.

Machinery and equipment in the amount of Lit. 823 871 260 was purchased from or through an affiliated company. Management is of the opinion that such purchases, although not at arms length, were made at fair market value.

Patty Commerciale S.p.A. provides for depreciation on a straight-line basis using the following annual rates of depreciation: furniture and fixtures 12%; motor vehicles 33%.

At June 30, 1969 Patty S.p.A. had advanced Lit. 425 790 768 to contractors and suppliers for purchases of plant, machinery and equipment. Although the items for which the advances had been made were received prior to June 30, 1969 the related invoices had not been received. Management is of the opinion that the invoices, when received, will not materially exceed the advances made to June 30, 1969.

5. Deferred charges

Patty Commerciale S.p.A. was incorporated to act as the sales organization of Patty S.p.A.. Pending commencement of production by Patty S.p.A., Patty Commerciale S.p.A. commenced developing a basic clientele for future development through sales of similar products purchased from outside sources. Accordingly, at December 31, 1968 costs incurred in excess of revenue were deferred as pre-operating costs.

Pre-operating and development costs will be amortized on a straight-line basis over five years commencing January 1, 1970.

6. Employees' leaving indemnities

Employees, upon leaving the service of a company are entitled to lump-sum payments based on length of service and rates of pay. The allowance provided in the accompanying balance sheet has been computed at current salary rates and length of service.

7. Long-term debt

Patty S.p.A. has obtained from Istituto Mobiliare Italiano, under the law "Cassa per il Mezzogiorno", a 3% long-term loan aggregating Lit. 1 000 000 000. As of June 30, 1969 Lit.975 000 000 had been received, the balance of Lit. 25 000 000 being received on July 26, 1969.

The terms of the loan agreement provide for semi-annual interest payments commencing January 1, 1969 through July 1, 1970 and repayment of principal and interest in twenty-two semi-annual installments commencing January 1, 1971.

The loan is secured by a mortgage on Patty S.p.A.'s land, buildings, machinery and equipment for an aggregate amount of Lit. 1 520 000 000.

The required repayment schedule of the long-term debt is summarized as follows:

<u>Due in</u> <u>Fiscal years</u>	<u>Amount</u>
1970 - 71	38 750 227
1971 - 72	79 239 924
1972 - 73	81 617 129
1973 - 74	84 065 650
After 1974	716 327 070
	<u>1 000 000 000</u>
	=====

PATTY S.p.A. AND PATTY COMMERCIALE S.p.A.

Notes to Combining Balance Sheet, Continued

8. Stockholders' equity

The Italian Civil Code provides that a company shall go into liquidation if it does not maintain a net capital of at least Lit. 1 000 000 and, further, that where a deficit exceeds one third of the capital at the end of any fiscal year, such excess must be eliminated in the subsequent year by one or more of the following methods: a) earnings from operations; b) reduction in capital to the offset of deficit; or c) increase in capital through additional investment by the stockholders.

9. Taxation

Patty Commerciale S.p.A.'s liabilities for taxes on income have not been assessed and agreed since its inception in 1967. Since taxes in Italy are often assessed arbitrarily and frequently settled by negotiations with the taxing authorities, there always exists a contingent liability which is not readily determinable with respect to open years. Management is of the opinion that it has sufficient tax loss carryforwards to offset against any undetermined taxable income so that no material contingent liability exists. However, for the same reasons the amount of tax loss carryforward, if any, available for carryforward is not subject to reasonable estimation.

In that Patty S.p.A. is in the Mezzogiorno area of Italy it is exempt from income taxes for ten years from the beginning of the first year in which there is a taxable profit and is exempt from tax on companies for ten years from the date of constitution of the Company. Patty S.p.A. is subject to local and additional taxes aggregating approximately 9%.

10. Contingent liabilities

Patty Commerciale S.p.A. at June 30, 1969 was contingently liable with respect to notes receivable discounted which had not matured amounting to approximately Lit. 32 000 000.

PEAT, MARWICK, MITCHELL & CO.

VIA SARDEGNA, 38

00187 ROME

TEL. 48.00.26

CABLES: VERITATEN-ROME

The Board of Directors
Sea-Way Multi Corp. Limited:

We have examined the combining balance sheet of Patty S.p.A. and Patty Commerciale S.p.A. as of June 30, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We were appointed auditors subsequent to June 30, 1969 and accordingly did not observe the inventory taking at June 30, 1969; we have, however, satisfied ourselves as to such inventories by means of other auditing procedures.

In our opinion, the accompanying combining balance sheet presents fairly the financial position of Patty S.p.A. and Patty Commerciale S.p.A. at June 30, 1969, in conformity with generally accepted accounting principles.

Peat, Marwick, Mitchell & Co.

October 18, 1969

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	<p>There are no persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by Aratos A.G. as the vendor of 80% of the issued and outstanding shares in the capital of each of Patty S.p.A. and Patty Commerciale S.p.A.</p> <p>Michele Sindona, c/o Studio Sindona, Via Turati 29, Milan, Italy, has a greater than 5% interest in Aratos A.G.</p>			
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	N/A			
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	N/A			
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p><u>Name</u></p> <p>Gee & Co.</p> <p>Samuel Gotfrid, Bertha Rubin and Harry Rubin, Trustees for the Alex J. Rubin Family Trust</p> <p>Samuel Gotfrid, Shirley Rubin and Alex J. Rubin, Trustees for the Harry Rubin Family Trust</p> <p>F. H. Deacon & Co. Ltd.</p> <p>Urban Properties Inc.</p>	<p><u>Address</u></p> <p>25 King Street West, Toronto, Ontario.</p> <p>12 Sheppard Street, Toronto 110, Ontario.</p> <p>12 Sheppard Street, Toronto 110, Ontario.</p> <p>105 Adelaide Street West, Toronto 105, Ontario.</p> <p>Frick Building, Pittsburgh, Pennsylvania, U.S.A.</p>	<p><u>Common Shares</u></p> <p>275,018</p> <p>115,000</p> <p>115,000</p> <p>67,663</p> <p>60,000</p>	<p><u>Series A Convertible Preference Shares</u></p> <p>6,971</p> <p>Ø</p> <p>Ø</p> <p>183,024</p> <p>Ø</p>
<p>The Company understands that as at November 28, 1969:</p> <p>(1) Norton Cooper is the beneficial owner of 44,425 common shares, 17,150 Series A Convertible Preference Shares and 15,625 Series A Warrants of the Company; and</p> <p>(11) Turtle Subsidiary Investments Limited is the beneficial owner of 249,075 common shares, 11,497 Series A Convertible Preference Shares and 2,187 Series A Warrants of the Company.</p> <p>Turtle Subsidiary Investments Limited is a wholly-owned subsidiary of Turtle Investments Limited. Each of Norton Cooper and Esther Cooper beneficially owns more than 10% of the issued and outstanding shares in the capital of Turtle Investments Limited.</p> <p>On November 10, 1969 Michele Sindona, a principal of Aratos A.G., caused a loan of \$2,000,000 to be made to Norton Cooper, which loan is secured by a pledge of 340,000 common shares of the Company.</p>				

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No one person beneficially owns sufficient shares in the capital of the Company to materially affect control of the Company. However, it may be expected that the shareholdings of Turtle Subsidiary Investments Limited and Norton Cooper together with the support of the shareholders named in item 15 would in combination be in a position to materially affect control of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<p>Oromocto Hotel Limited Seaway City Motor Hotel (Quebec) Limited Capri Holdings Ltd. Seaway Hotels (Quebec) Limited Seaway City Hotel (Ottawa) Limited Stola Investments Limited Fishers Four Limited Starbuck Enterprises Limited Premium Forest Products Limited Gardiner's of Galt, Limited Amalgamated Seaway Hotels (Ontario) Limited Courrier Hotels International Limited Town House Motor Inn Limited</p> <p>In addition, the Company has acquired approximately 85% of the issued and outstanding common shares without par value and approximately 68% of the issued and outstanding 5½% Cumulative Redeemable Class B Preference Shares with a par value of \$20 each in the capital of Levy Industries Limited. The financial information shown on the attached financial statements is on a consolidated basis covering the accounts of such wholly-owned subsidiaries and of Levy Industries Limited.</p>
18. Brief statement of any lawsuits pending or in process against company or its properties.	The Company has been joined in an action instituted in The Supreme Court of Ontario by an individual who claims a finder's fee of \$600,000 from the Levy family, or alternatively, Benjamin Levy, arising out of the sale by the Levy family to the Company of common shares without par value of Levy Industries Limited, and as against the Company, asks for a Declaration and Judgment of the Court that the Company is a Trustee of any portion of the said finder's fee.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	The Company and its subsidiaries have entered into a number of leases in the ordinary course of business, which leases are referred to in Note 13 of the notes to the attached consolidated balance sheet as at September 30, 1969 of the Company and its subsidiaries.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	The undersigned have no knowledge that any shares of the Company are in primary distribution to the public. Reference is made to the original listing application and supporting reports and to annual reports and financial statements, all as filed with The Toronto Stock Exchange and all of which are hereby incorporated with The Toronto Stock Exchange under the rules and regulations of which the transactions referred to in Item 1 are understood to be a "material change in the affairs of the Company". This statement is not to be construed as a Prospectus or as a report by or on behalf of the Company or any signatory hereto or any person for the purpose of inducing any person to purchase shares of the Company or to constitute an offer or solicitation for purchase in respect of any such shares. In the light of the foregoing, the signatories consider that there are no other material facts in respect of the matters referred to in item 1 above or in respect of the Company's affairs not disclosed by the foregoing and other information filed herewith.

DATED December 23, 1969.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

" N. COOPER"

" J.A. GILBERT"

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

